

STATE OF TEXAS

COUNTIES OF POTTER
AND RANDALL

CITY OF AMARILLO

On the 14th day of July, 2010, the Tutbury Public Improvement District (PID) Advisory Board held an Advisory Board meeting at 11:00 A.M. in Room 306 of City Hall, 509 East 7th Avenue, Amarillo, Texas, with the following people present:

MEMBERS PRESENT	TOTAL NO. MEETINGS HELD	TOTAL NO. MEETINGS ATTENDED
Bruce Barrick, Chairman	2	1
Richard Fowler	8	8
Larry Orman	6	3

CITY OF AMARILLO STAFF

Kelley Shaw, PID Administrator
Carolyn Back, Comprehensive Planner
Michelle Bonner, Director of Finance

ITEM 1: Open meeting and establish quorum

Mr Shaw offered to run through the agenda for last year’s elected/appointed Chairman, Mr Barrick. Mr Barrick accepted the offer. Mr Shaw acknowledged a quorum and called the meeting to order and gave a brief overview of the items to be discussed.

ITEM 2: Approval of Minutes from the August 5, 2009 meeting

Mr. Shaw mentioned that during these meetings the focus is on two things: 1) an annual budget for the upcoming fiscal year and; 2) as required by state law, establishing a five-year service plan in order to get a glimpse of the current years numbers and what is predicted to be the figures in the future.

Every year, the City creates an assessment roll for the 24 lots in Tutbury and they use that roll to collect assessments. So today the Board is looking at the proposed annual budget for the 2010/2011 fiscal year and they are also looking down the road through the five-year service plan at what is forecast for the financial future of the PID. Once these numbers are approved by the Board they are presented to the City Commission for their approval to collect the assessments.

Mr Shaw talked about the new Potter County Well Field and that the water rates over the past few years have been raised incrementally to help pay for the new well field. Mr Shaw pointed out that this upcoming fiscal year will see an additional 10% rate increase across the board.

Mr Shaw also discussed the administrative fee for the 2010/2011 fiscal year. He noted that the Tutbury PID was established in 2003 and even though it was discussed in previous meetings that there would be an administrative fee, the City has never charged the PID for staff administrative time.

Mr Fowler asked if there was any way to get copies of the expenses that are charged to the PID. Parks and Recreation is very good about keeping records and every month they produce a labor sheet and everything that is performed for the PID is reflected on this sheet and it breaks...

Mr Shaw pointed out from last year’s minutes the assessment rate and the vote for the \$15/yr per lot, if needed. The City of Amarillo wants to keep a three-year reserve, if at all possible.

Mr Shaw said that a total of one was currently present that was at the meeting last year that may vote to approve these minutes. Mr Fowler voted to approve the minutes as written. Motion carried.

ITEM 3: PID Operations and Maintenance Contract:

Mr Shaw mentioned that two years ago, the Parks and Recreation department used to be responsible for everything. Currently, Northrup’s is performing the annual maintenance. The contract that we received from Northrup’s Clean-Cut totals \$8,605.00, but it was not dated. Mr Fowler remembers a 5% increase to the contract amount each year and this was a one year contract with two optional years for renewal. Mr Barrick remembers the contract stating that any repairs would be billed separately from the contract.

Much discussion took place over the Board wanting to know more about charges from the Landscape Contractor and viewing the cost breakdowns. Mr Shaw mentioned that it would really help the City to get a copy of the signed contract to know what falls within the contract parameters. Mr Fowler said that he would get the City a copy. Mr Shaw offered to provide a tally of the current fiscal year expenses via email to the Board members. Mr Barrick will send an email out to the neighbors asking if they see anything that needs to be repaired to communicate with him and then he will communicate with the City about anything that is approved and outside the scope of the contract. Mr Fowler and Mr Barrick set a \$500 threshold dollar amount [over the contract amount] for the Contractor to be required to receive Board approval before the City has approval to pay the invoice.

ITEM 4: Consider for recommendation 2010/11 Budget and 5-Year Service Plan:

Mr. Shaw went over the 2010/2011 budget and 5-year service plan. Mr. Shaw detailed the maintenance and operation costs by line item pointing out the costs associated with each expense. Mr. Shaw also pointed out that water rates had again been raised Citywide. The water rates will increase 10% city-wide to pay for the bonds for the Potter County Well Field being constructed.

Mr. Shaw mentioned that the new administration fee that has been discussed over the past few years is going into effect in the 2010/2011 budget. This dollar amount was based on a cost averaging calculation. Mr Shaw mentioned that he was surprised. The number came in much higher than he anticipated so he and Mrs Bonner agreed to cut the amount in half to \$1,312. The City is currently doing a second time sheet trial period to determine the indirect costs associated with administration.

Mrs Bonner offered to provide a spreadsheet quarterly or semi-annually of all the costs that have been paid for the PID. Mr Barrick would like to see the spreadsheet quarterly. Mrs Bonner will show Ms Back how to pull the report. There was a lot of discussion about the possibility of being charged for taxes. Mr Shaw remembers that Mr Frigo corrected that error by the contractors for all of the PID's and now all of the PID's are not being charged for taxes.

Mr Shaw felt it appropriate to inform Mr Barrick that at anytime the Board may dissolve the PID and go with a Homeowners Association. There is a legal process to do so, but it can be done. Mr Barrick asked what the advantage would be of not having a Public Improvement District? Mr Shaw explained the reason that PID's are successful in Amarillo and Home Owners Associations are not. HOA's do not have a very good history in AMA. They always end up going defunct in some form or fashion relatively quickly as it is very hard to get people to pay. A good example of this happening would be The Shores neighborhood off of 58th. The City has contracted with the County to put the PID assessment on the tax bills and this takes the HOA out of the collection business. It is not a tax; it is an assessment, but is collected like a tax and Mr Shaw said that the City has almost 100% collection success rate.

Mr Shaw proposed that we add \$12 to the postage line item for a total maintenance and operation figure of \$16,339. Mrs Bonner proposed that we also fix the formula on the Administrative fee. She also asked the Board to be aware that the \$15 fee increase every year down the line may not be enough to cover the increase in the expenses. Mr Fowler proposed that the fee be increased. Mr Shaw said that they could leave the assessment with the \$15 increase and then we would be happy to show up at the HOA meeting next year to talk about the need to decrease expenses or increase revenue. Mr Fowler and Mr Barrick decided on a \$30 increase for a \$549 assessment for this year. Mrs Bonner will carry across the \$30 increase through the 5-year plan and stated that this modification should balance out their expenses.

Mr. Barrick motioned to recommend approval of 2010/11 PID budget and 5-year Service Plan with the proposed modifications as discussed. Mr. Fowler seconded the motion and motion passed.

It was discussed that Board members terms are three- year terms.

ITEM 4: Adjourn Meeting

Being no other business, the meeting was adjourned.